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RUEHIT/AMCONSUL ISTANBUL 2622  
RUEHRC/DEPT OF AGRICULTURE WASHDC  
RHEHNSC/NSC WASHDC  
RUCPDOG/DEPT OF COMMERCE WASHDC  
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RUEAIIA/CIA WASHDC  
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SENSITIVE  
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SUBJECT: TURKMENISTAN'S MINISTRIES OF ECONOMY AND  
DEVELOPMENT AND AGRICULTURE COMPLIMENT HIGH QUALITY OF U.S.  
HEAVY EQUIPMENT

REF: ASHGABAT 1242

11. (U) Sensitive but unclassified. Not for public Internet.

12. (SBU) SUMMARY: In separate meetings on September 30, the Minister of Economy and Development and the Minister of Agriculture told U.S. Deputy Assistant Secretary of Commerce for Europe and Eurasia Paul Dyck that Turkmenistan appreciates high quality heavy equipment produced in the United States. Newly-named Minister of Economics and Development Bashimmyrat Hojamammedov appeared to feel his inexperience and let his deputy do most of the talking. Minister of Agriculture Orazgeldiyev said that the president signed a decree regarding the purchase of 300 Case New Holland tractors and spare parts on September 29. Minister Hojamammedov may face a steep learning curve before settling into his position. Turkmenistan appears to be satisfied with its business association with U.S. heavy equipment manufacturers and all signs show that this trade relationship will continue. END SUMMARY.

MINISTRY OF ECONOMY SAYS THAT U.S. FARM EQUIPMENT IS THE BEST

13. (SBU) U.S. Deputy Assistant Secretary of Commerce for Europe and Eurasia Paul Dyck and U.S. Department of Commerce International Trade Administration Director for Caucasus and Central Asian Affairs Danica Starks met with Minister of Economics and Development Bashimmyrat Hojamammedov, Deputy Minister Muhammetgeldi Atayev, and Deputy Head of the Ministry's Department for Foreign Economic Affairs on September 30. Deputy Minister Atayev said that Turkmenistan is interested in more economic cooperation with the U.S. He emphasized the significant attention that the government is placing on the Rural Development Program. In this connection, and mentioning rivals such as Germany's Claas, Atayev said that Turkmenistan imports American farm equipment (from Case New Holland and John Deere) because it is the best.

AVAZA REMAINS BERDIMUHAMEDOV'S PET PROJECT

¶4. (SBU) Atayev added that Turkmenistan is continuing its economic reforms through new legislation and through major projects such as the tourism center on the Caspian Sea, Avaza; the East-West Railroad, connecting Turkmenistan to Kazakhstan and Iran; a new Tax Code; a Law on Mineral Resources; and a Law on Foreign Investment. Atayev said that the president is personally supervising progress on the Avaza project, in particular infrastructure development, including upgrades to seaports, modernization of the airport, hotel construction and other infrastructure projects. Atayev listed a number of benefits for companies involved in developing Avaza, such as tax free provisions, customs provisions, and priority registration of foreign entities. Atayev also mentioned that 12 billion tons of oil is located on the Turkmenistan shelf of the Caspian Sea.

#### AGRICULTURE REFORMS AND PLANS

¶5. (SBU) The delegation also met with Minister of Agriculture Esenmyrat Orazgeldiyev, Deputy Minister and Director of the Agricultural Research Station Geldy Goshayev, and head of the International Relations Department Shammy Annamuradov on September 29. Minister Orazgeldiyev said that several new laws also impact his Ministry, such as a Law on Farmers' Associations, Law on Legal Farming Entities, and a Law on Local Governance. Annamuradov explained in detail how Turkmen Lake would function and said that it would greatly benefit Turkmen farmers through collecting water that would otherwise go unused.

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#### UPDATE ON CONTRACT FOR CASE NEW HOLLAND EQUIPMENT

¶6. (SBU) In response to DAS Dyke's question about a pending contract for 400 Case New Holland tractors, in addition to 300 tractors and spare parts awaiting delivery, Orazgeldiyev said that the president signed a decree regarding the purchase of 300 Case New Holland tractors and spare parts on September 29. The minister added that the president often meets with Case New Holland officials, which "indicates our level of interest." The minister pointed out that Turkmenistan bought 500 pieces of John Deere equipment during the last wheat season, and said that Turkmen officials would meet with Case New Holland officials in Austria in August to discuss further cooperation. In conclusion, the minister said that John Deere, Case New Holland, and Caterpillar equipment is productive and works well in a desert climate.

¶7. (SBU) COMMENT: Minister Hojamammedov let his deputy do most of the talking. It may be a while before he settles into his new role -- especially considering the fact that -- as far as post knows -- his last position was as department head at the Central Bank, not deputy minister as official Russian-language government newspaper Neytralniy Turkmenistan claimed in the announcement of his appointment (reftel). Turkmenistan appears to be satisfied with its business association with U.S. heavy equipment manufacturers and all signs show that this trade relationship will continue. END COMMENT.

¶8. (U) DAS Dyck has cleared this cable.  
CURRAN